

1. Does your organization have any estimates on the number of additional children that would be brought into the Federal foster care system—that is the number of additional children in the Federal foster care program whose households would receive checks supported with Federal funds—under the provisions of H.R. 5466?

In their proposed budget for 2009, the Administration indicates that approximately 203,200 children are covered each month by the current maintenance payments under Title IV-E foster care. This is less than half the children in foster care. If that is approximately forty-three percent of the children in care and this legislation covers all children, you might assume that more than twice this number of children would be covered. In terms of households, we do not have reliable information on the number of foster homes in existence. Frequently, states are challenged to find more foster homes. Many of these dedicated families care for more than one child. Some of these dedicated families provide foster care as a step toward adoption and may not be available to provide foster care after that point, so it is difficult to get an accurate projection of the current number of foster families since these families differ from year to year. In the past, some have suggested that extending care to all foster children would somehow cover the cost of care for children coming from wealthy homes. As we indicated in testimony, assuming there were wealthy individuals whose children would end up in the system, there is a child support mechanism to address that concern, although we have doubts states would find that this were the case.

A. How many children are being cared for by relatives under the TANF program today? Would any of those families be eligible for Federal foster care payments under Chairman McDermott's bill?

We believe the most recent data from the 2006 Annual TANF Report to Congress indicates that there are approximately 783,000 “child-only” cases in TANF including a range of families where the parent is present (table 1:3—Appendix). Of this total, approximately 20 percent of these child only-cases are headed by grandparents and another 10 percent by other relatives (table 10:40—appendix). Not all of these children would be in the child welfare system. In fact, a recent report by the Urban Institute (Series B, No.B-68, May 2006) indicates that less than half of those children in the report defined as “public” kinship care are taken into custody and are a part of the child welfare system.

Yes, we would expect some of these kinship families would be eligible for kinship placements. This would be consistent with what members of Congress mandated in the enactment of P.L. 105-89, the Adoption and Safe Families Act (ASFA) and its requirements to move children into permanent placements. Congress formally recognized kinship placements as one of three forms of permanency (reunification, adoption and kinship placements). To this end, states have used the kinship permanency option, but have been forced to depend on an array of limited funding, including TANF funds, state and local funds, and some limited Title IV-E funds via waiver funds.

There are however limitations on these children merely shifting from TANF to Title IV-E kinship placements under this legislation and similar kinship legislation in Congress (S 661/HR 2188). A child's eligibility is limited to those placements where being adopted or returned home are not considered appropriate options for that child. In addition the child must have been under the care of the state child welfare agency for at least a twelve month period.

B. Would States have a financial incentive to shift those cases from the fixed TANF block grant program to the open-ended entitlement Federal foster care program? How much would States stand to “save” in TANF funds if they did so?

No incentive and no real savings. There is no financial incentive to shift children from TANF to Title IV-E. The reality is that TANF is a fixed block grant entitlement to states. States receive the same level of funding from the federal government as they did in 1996. States can carry these federal funds over from year to year. If they don't spend the annual funds, they carry over in a reserve the funds at the federal level. States have attempted in the past to hold these dollars for future recessions or other potential causes of an increase in caseload. In recent years, these reserve funds have been decreasing or non-existent for many states. The funds we talk about here are the *federal* TANF funds. To draw or qualify for these federal TANF funds a state *must* spend their state TANF maintenance-of-effort dollars every year no matter how much of their federal TANF funds the state spends. The *only* way to reduce their state spending via the TANF MOE is by meeting the TANF stipulated work requirements. States may be able to reduce this requirement by five percent if it meets this work requirement. This is really the only way to reduce the state obligation.

While a state might be able to “save” more of their federal TANF funds by not spending it on kinship families, that shift to the Title IV-E funding would mean that every child in the new Title IV-E kinship care placement would require a state to spend matching state funds. For example, a child covered by TANF “child-only” funds at say \$100 a month would be paid for in total Federal TANF dollars—all \$100. Alternatively, a state could combine some of their required state MOE dollars with federal TANF funds. In either instance, unspent federal funds would be held in reserve by the federal government and unspent state MOE funds would be re-designated for another eligible category of TANF spending for that year. If that child is now in Title IV-E kinship placements, say at a higher payment rate (the payment would be equal to foster care, TANF funded kinship rates tend to be lower sometimes significantly lower than a foster care payment) at say \$130, if a state had a 50% match that state would now be paying approximately \$65 in state funds—funds the state did not have to pay when that kinship placement was all federal TANF dollars. In addition, the casework costs would also be shifted from the TANF administrative funding sources to the Title IV-E administrative matching funding requirements. This \$65 to cover kinship support could not come from TANF MOE dollars since that would be double counting state spending for two different federal programs.

C. How many children are being cared for by relatives outside of the TANF or foster care systems today? Would those families have any financial incentives to “enter” the foster care system (while still caring for their relatives) in order to receive the expanded foster care funds offered under Chairman McDermott’s bill?

According to the 2000 Census, some 6 million children live with relatives—4.5 million of whom live with grandparents, a 30% increase between 1990 and 2000. Most of these families are not a part of the formal child welfare system. According to the Urban Institute report referenced earlier, 500,000 children are in what the report calls “public kinship care.” By this definition, they may have been in contact with a public agency, but well under half are taken into custody. Some of these children are in the foster care system. Some receive TANF child only grants, a much more limited number receive Social Security or SSI and about a third receive no assistance.

As we stated earlier, there are limitations on these children merely shifting to Title IV-E kinship placements under this legislation and similar kinship legislation in Congress (S 661/HR 2188). A child’s eligibility is limited to those placements where being adopted or returned home are not considered appropriate options for that child. In addition, the child must have been under the care of the state child welfare agency for at least a twelve month period. This would mean that there has been a judicial determination that removing a child from his or her home would be in the best interests of that child. If a family requested a voluntary placement and agreement, then that agreement is with the child welfare agency and cannot automatically be revoked if the agency opposes a revocation. In the end, these decisions are not easy for families and moving children into the child welfare system is not taken as lightly as merely shifting costs from one federal or state program to another.

2. According to a description of the bill, the “Federal matching rate would be reduced to offset most of the associated cost” of expanding the number of foster care maintenance payments. What is your estimate of how much the Federal matching rate will be reduced in the average State?

We don’t have an estimate, in part because as we commented in our testimony, “We would advise that as the legislation develops and states trade off some of their federal matching funds in exchange for covering all children we pay special attention that no state comes out with a formula that might provide substantially less per child simply because of the old AFDC standard. CWLA is prepared to work with the Congress in this regard.” Under the bill, states would also have some time to make adjustments in claims.

To be clear, we do not see this as an ideal approach to extending coverage to all children in foster care. We see this legislation in its entirety, that is federal funding—while reduced in this instance—would be extended to children in subsidized guardianship and kinship placements. It would also be extended to youth to age 21. And most significantly, it would be opened to state outcomes-based efforts to reduce the number of children in care, and in many instances to prevent abuse. We would envision such

approaches as Family Group Decision making, differential response and other efforts that might target certain vulnerable populations.

Much of this is in the hands of the Subcommittee and Congress. There are several promising approaches on how to extend coverage to all children in care, such as the Partnership to Protect Children and Strengthen Families and the legislation highlighted by Congresswoman Berkley, HR 4207, during the hearing.

A. Can you tell how the Federal matching rate for foster care payments under the bill would compare with the Federal matching rate for other programs, like child support or Medicaid?

Under this proposal, it would be reduced below the current Federal Medical Assistance Program (FMAP) or more commonly referred to as the Medicaid rate. The FMAP falls between fifty and eighty percent, with some states such as Alabama and Mississippi receiving the Medicaid matching rate near the high end and states like California and New York receiving a match of fifty percent. Again, based on our earlier response, it is unclear what final percentages would be fixed, since states are at different matching rates and states for a variety of reasons have different “penetration” rates (“penetration rate” is how many children in care are eligible for federal foster care support). States would also be able to increase that coverage in situations where a child may have been eligible but wasn’t due to mistakes or filing procedures, etc.

B. Please identify other instances where a State supported such an expansion without a corresponding increase in Federal funding.

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As far as a similar approach, we would point to the creation of the Social Services Block Grant (SSBG) in 1981. States were offered the ability to convert what was an entitlement based on eligibility into a funding source that would extend coverage and use of federal funds to any or all of 29 different services including services that covered any and all populations. Income and eligibility requirements were eliminated. In exchange, funding would be capped no longer increasing based on the number of services or people covered. In effect, states were given the ability to cover a much broader population, but with a fixed set of federal funding. SSBG was an entitlement that had been increasing at a significant rate between the late 1960s through 1980. Of course through 1996, SSBG maintained its funding level and did receive some increases, but since 1996, it has gone from a peak of approximately \$2.8 billion to a low of \$1.7 billion, with a 2009 budget proposal that would eliminate it altogether by 2010.

C. Does it seem realistic for the Federal government to contribute a much smaller share of the costs of supporting the needs of children in foster care than it does in the cost of administering child support program?

No, but the current federal commitment is not realistic nor does it represent a commitment by our nation to children in care. Currently, it is estimated that fifty-seven percent of children in foster care receive no federal support. For these foster children, there is zero support from the federal government and that makes even less sense. According to a report by the Congressional Research Services (CRS RL 34388, Child Welfare Issues in the 110th Congress), by 2007, two-thirds of the states in this country now cover a child in foster care only if that child was removed from a family that was less than fifty percent of the federal poverty rate. In other words, in two-thirds of the states a child that came from a family with an income above \$8,585 for a family of three (fifty percent of the poverty level) would not be eligible for federal commitment under the federal foster care system. If you go back ten or eleven years ago, this number of children eligible for federal support was reversed—with close to fifty-seven percent being covered. The federal support for children in foster care is declining each year.

3. How many new programs does Chairman McDermott's bill create?

The legislation sponsored by Congressman McDermott creates few new programs. We do not see the extension of services to youth, kin and to children in families over 50 percent of the poverty level as new. The bill does create an important new workforce block grant in Title III and a new small block grant in Title IV to assist to states implement navigator programs for kinship families and for other important purposes.

A. How many of those are new entitlement programs?

We do not believe these new small block grants are entitlements.

B. Aren't there already entitlement programs that provide funds for child welfare services and for caseworkers, which the Chairman's' bill creates new programs to do?

If the question refers to Title III, "Supporting a Qualified Child Welfare Workforce," we do not see this as a duplication of current limited Title IV-E training funds. Currently, these training funds are limited to public agencies—something the bill as well as Congressman Weller's legislation seeks to correct. We see this Title—along with the expansion of training to private agencies—as an important workforce development tool. What Title III seeks to accomplish is to create a workforce development strategy for child welfare workers. The reality is we as a nation cannot address the issues of child abuse and neglect and the number of children without permanent families unless and until we have a workforce strategy in this area. To create a well staffed, trained child welfare workforce and to maintain that workforce is vital. The only way child abuse is to be prevented, children adopted, foster parents recruited and AFCARS data entered into SACWIS information systems is with an adequate workforce. We strongly believe that as Congress evaluates the status of our economy, as we look at ways to address future

workforce needs we need to take a serious look at human service jobs that are needed today and will be needed in the future. Jobs such as child welfare workers, early childhood education and child care workers, long term care workers, and some other key human service areas will be in demand. It is also important to note that these are areas of work that cannot migrate overseas.

4. As we look at the child welfare program, we need to be focusing on ways to ensure that these children don't just move from child welfare programs to adult welfare programs. We all agree that an education is the linchpin to future success. Are you aware of programs that track the educational progress and performance of these children?

We agree that quality education is critical for all children. There are instances in which the system has worked for vulnerable children. That happens when there is both a commitment at all levels, as well as the resources to make sure these children's needs are met in the right setting. While education is a critically important piece of the puzzle, we should not assume that the complex needs of children in foster care will be addressed *solely* through adequate education. To successfully prevent children from entering care in the first place and once in care, to reunify these children or move them into permanent loving families, we must coordinate and ensure that the child receives a wide array of services. This includes education, physical and mental health care, adequate housing, and many other important services. We believe that acting proactively before a child is ever removed from his or her family can go a long way in addresses these needs. It is important that we begin to address some of these "up-front" services. There seems to be some agreement that if we invest in prevention and intervention services, we can reduce the number going in to care. If this is done within an entitlement funding structure as this bill proposes, then as savings are gained, it will save the federal government dollars in foster care placements.

In term of tracking, unless the No Child Left Behind tracks children in foster care as it does other school-age populations, we do not believe there are programs that track the long term educational outcomes for these children as a group.

A. Is there anything in Chairman McDermott's bill, or any other legislation, that would improve the educational outcomes of children in the child welfare system, starting with high school completion and going on from there?

We are part of a broad coalition of groups called the National Working Group on Foster Care and Education that have come together to make recommendations that will assist foster children in reaching their educational goals. As part of this Coalition, we are working to make improvements through the McKinney-Vento Act to extend certain protections to children in foster care. These basic protections include being able to remain in the same school when a foster child is forced to move from the school district or having the right to immediate enrollment in a new school district. We are working to advance these protections with homeless advocates and other child welfare groups such as Casey Family Programs, the Children's Defense Fund, and Catholic Charities. We

believe you have to focus early on these education barriers and not wait until the later years of a child education. In addition, fundamental to a child's success is a stable family life. We see the education requirements under Congressman McDermott's bill will send an important signal to key members of Congress when it comes time to reauthorize this McKinney-Vento Act along with the No Child Left Behind law.

B. Are there any examples of successful state efforts that dramatically improve educational outcomes of kids in the child welfare Programs?

There are some promising practices that we believe, if funded, will assist children. In California in 2004, a new law referred to as AB 490 was passed. It enacted a series of comprehensive reforms for children in out-of-home care. In 2005, the state of Oregon passed similar protections including requirements around transportation costs if a foster child lives out of the school district. The state of Delaware is also notable for some of its efforts to assure children in foster care are looked after in terms of their education needs.